

**NATCHITOCHES PARISH SHERIFF
NATCHITOCHES, LOUISIANA
FINANCIAL STATEMENTS
FOR THE YEAR ENDED
JUNE 30, 2010**

Under provisions of state law, this report is a public document. A copy of the report has been submitted to the entity and other appropriate public officials. The report is available for public inspection at the Baton Rouge office of the Legislative Auditor and, where appropriate, at the office of the parish clerk of court.

Release Date 1/5/11

NATCHITOCHE PARISH SHERIFF
NATCHITOCHE, LOUISIANA
JUNE 30, 2010
TABLE OF CONTENTS

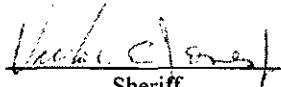
	<u>Exhibit</u>	<u>Schedule</u>	<u>Page</u>
Affidavit	-	-	1
Independent Auditors' Report	-	-	2
Management's Discussion and Analysis	-	-	3
Statement of Net Assets	A	-	9
Statement of Activities	B	-	10
Balance Sheet - Governmental Funds	C	-	11
Reconciliation of the Governmental Funds Balance Sheet to the Statement of Net Assets	D	-	12
Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds	E	-	13
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities	F	-	14
Statement of Net Assets - Proprietary Funds	G	-	15
Statement of Revenues, Expenses, and Changes in Net Assets - Proprietary Funds	H	-	16
Statement of Cash Flows - Proprietary Funds	I	-	17
Statement of Fiduciary Assets and Liabilities	J	-	18
Notes to the Financial Statements	-	-	19
Required Supplementary Information	-	-	34
Schedule of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds - Budget (GAAP Basis) and Actual - General Fund	-	1	35
Other Supplementary Information	-	-	36
Schedule of Findings and Questioned Costs	-	2	37
Schedule of Expenditures of Federal Awards	-	3	38
Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with <u>Government Auditing Standards</u>	-	-	39
Report on Compliance with Requirements That Could Have a Direct and Material Effect on Each Major Program and on Internal Control Over Compliance in Accordance with OMB Circular A-133	-	-	41
Summary Schedule of Prior Audit Findings	-	4	43
Corrective Action Plan for Current Year Audit Findings	-	5	44

NATCHITOCHES PARISH SHERIFF
NATCHITOCHES, LOUISIANA
FINANCIAL STATEMENTS
JUNE 30, 2010


Legislative Auditor
P. O. Box 94397
Baton Rouge, LA 70804-9397

AFFIDAVIT

Personally came and appeared before the undersigned authority, Victor Jones, Natchitoches Parish Sheriff, who duly sworn, deposes and says, that the financial statements herewith given presents fairly the financial position of the Natchitoches Parish Sheriff at June 30, 2010 and the results of operations for the year then ended in accordance with generally accepted accounting principles as prescribed by the Governmental Accounting Standards Board.


Sheriff

Sworn to and subscribed before me, this 3rd day of December, 2010.


NOTARY PUBLIC
#15689

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INDEPENDENT AUDITORS' REPORT

Honorable Victor Jones
Natchitoches Parish Sheriff
Natchitoches, Louisiana 71458

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Natchitoches Parish Sheriff, Natchitoches, Louisiana, as of and for the year ended June 30, 2010, which collectively comprise the Sheriff's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the Natchitoches Parish Sheriff's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Natchitoches Parish Sheriff as of June 30, 2010, and the respective changes in financial position and cash flows, where applicable, thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with Government Auditing Standards, we have also issued a report dated December 3, 2010, on our consideration of the Natchitoches Parish Sheriff's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grants. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards and should be considered in assessing the results of our audit.

The Management's Discussion and Analysis and the budgetary information on pages 3 through 8 and 35, respectively, are not a required part of the basic financial statements but are supplementary information required by the Governmental Accounting Standards Board. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the supplementary information. However, we did not audit the information and express no opinion on it.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Natchitoches Parish Sheriff's basic financial statements. The accompanying supplemental schedules listed in the table of contents are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

The financial information for the year ended June 30, 2009 which is included for comparative purposes was taken from the financial report for that year in which we expressed an unqualified opinion dated December 14, 2009, on the basic financial statements of the Natchitoches Parish Sheriff.

Hines, Sheffield & Squyres
Natchitoches, Louisiana
December 3, 2010

NATCHITOCHEs PARISH SHERIFF
NATCHITOCHEs, LOUISIANA
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2010

The Management's Discussion and Analysis of the Natchitoches Parish Sheriff's financial performance presents a narrative overview and analysis of the Natchitoches Parish Sheriff's financial activities for the year ended June 30, 2010. This document focuses on the current year's activities, resulting changes, and currently known facts. Please read this document in conjunction with the additional information contained in the Natchitoches Parish Sheriff's financial statements, which begin on page 9.

FINANCIAL HIGHLIGHTS

Governmental Activities

- 1) The Natchitoches Parish Sheriff had cash and investments of \$5,341,235 at June 30, 2010 which represents an increase of \$856,831 from prior year end.
- 2) The Natchitoches Parish Sheriff had accounts receivable of \$444,102 at June 30, 2010 which represents a decrease of \$76,081 from prior year end.
- 3) The Natchitoches Parish Sheriff had accounts payable and accruals of \$286,647 at June 30, 2010 which represents an increase of \$51,192 from prior year end.
- 4) The Natchitoches Parish Sheriff had total revenues and transfers of \$8,158,669 for the year ended June 30, 2010 which represents an increase of \$423,210 from prior year.
- 5) The Natchitoches Parish Sheriff had total expenses of \$7,400,570 for the year ended June 30, 2010 which represents an increase of \$951,031 from prior year.
- 6) The Natchitoches Parish Sheriff had capital asset purchases of \$624,067 for the year ended June 30, 2010 which represents an increase of \$182,287 from prior year.

Business-Type Activities

- 1) The Natchitoches Parish Sheriff had cash of \$2,628,081 at June 30, 2010 which represents a decrease of \$2,246,251 from prior year.
- 2) The Natchitoches Parish Sheriff had accounts receivable and internal balances of \$335,756 at June 30, 2010 which represents a decrease of \$368,778 from prior year.
- 3) The Natchitoches Parish Sheriff had accounts payable and accruals of \$447,308 at June 30, 2010 which represents a decrease \$196,872 of from prior year.
- 4) The Natchitoches Parish Sheriff had total operating revenues of \$5,240,638 for the year ended June 30, 2010 which represents a decrease of \$76,936 from prior year.
- 5) The Natchitoches Parish Sheriff had total operating expenses of \$7,247,665 for the year ended June 30, 2010 which represents an increase of \$1,490,392 from prior year.
- 6) The Natchitoches Parish Sheriff had salaries of \$2,798,294 for the year ended June 30, 2010 which represents an increase of \$370,006 from prior year.

NATCHITOCHES PARISH SHERIFF
NATCHITOCHES, LOUISIANA
MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)
JUNE 30, 2010

OVERVIEW OF THE FINANCIAL STATEMENTS

The following graphic illustrates the minimum requirements for the Natchitoches Parish Sheriff as established by Governmental Accounting Standards Board Statement 34, Basic Financial Statements and Management's Discussion and Analysis for State and Local Governments.

Management Discussion and Analysis

Basic Financial Statements

Required Supplementary Information
(Other than MD&A)

These financial statements consist of three sections - Management's Discussion and Analysis (this section), the basic financial statements (including the notes to the financial statements), and required supplementary information.

This annual report consist of a series of financial statements. The Statement of Net Assets and the Statement of Activities (on pages 9 and 10) provide information about the activities of the Natchitoches Parish Sheriff as a whole and present a longer-term view of the Sheriff's finances. Fund financial statements start on page 11. For governmental activities, these statements tell how these services were financed in the short term as well as what remains for future spending. Fund financial statements also report he Sheriff's operations in more detail than the government-wide statements by providing information about the Sheriff's most significant funds.

Reporting the Sheriff as a Whole

The Statement of Net Assets and the Statement of Activities

One of the most important questions asked about the Sheriff's finances is, "Is the Sheriff as a whole better off or worse off as a result of the year's activities?" The Statement of Net Assets and the Statement of Activities report information about the Sheriff as a whole and about its activities in a way that helps answer this question. These statements include all assets and liabilities using the accrual basis of accounting, which is similar to the accounting used by most private-sector companies. All of the current year's revenues and expenses are taken into account regardless of when cash is received or paid.

NATCHITOCHE PARISH SHERIFF
NATCHITOCHE, LOUISIANA
MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)
JUNE 30, 2010

OVERVIEW OF THE FINANCIAL STATEMENTS (CONTINUED)

Reporting the Sheriff as a Whole (Continued)

The Statement of Net Assets and the Statement of Activities (Continued)

These two statements report the Sheriff's Net assets and changes in them. You can think of the Sheriff's net assets, the difference between assets and liabilities, as one way to measure the Sheriff's financial health, or financial position. Over time, increases or decreases in the Sheriff's net assets are one indicator of whether its financial health is improving or deteriorating.

In the Statement of Net Assets and the Statement of Activities, we divide the Sheriff into two kinds of activities:

Governmental Activities: The Sheriff's basic operations are reported here. These activities are financed by taxes, intergovernmental revenues, fees, charges and commissions for services and interest.

Business-Type Activities: The Sheriff's housing of male inmates (state and local) are reported here. These activities are financed by charges for services.

Reporting the Sheriff's Most Significant Funds

Fund Financial Statements

The fund financial statements provide detailed information about the most significant funds, not the Sheriff as a whole. Some funds are required to be established by state law and by bond covenants. However, the Sheriff establishes other funds to help it control and manage money for particular purposes or to show that it is meeting legal responsibilities for using certain taxes, grants, and other money. The Sheriff's two kind of funds, governmental and proprietary, use different accounting approaches.

Governmental Funds: Most of the Sheriff's basic services are reported in governmental funds, which focus on how money flows into and out of those funds and the balances left at year end that are available for spending. These funds are reported using an accounting method called modified accrual accounting, which measures cash and all other financial assets that can readily be converted to cash. The governmental fund statements provide a detailed short term view of the Sheriff's general government operations and the basic services it provides. Governmental fund information helps you determine whether there are more or fewer financial resources that can be spent in the near future to finance the Sheriff's activities as well as what remains for future spending.

Proprietary Funds: When the Sheriff charges customers for the services it provides, these services are generally reported in proprietary funds. Proprietary funds are reported in the same way that all activities are reported in the Statement of Net Assets and Statement of Activities. In fact, the Sheriff's enterprise funds are the same as the business-type activities we reported in the government-wide statements but provide more detail and additional information, such as cash flows.

NATCHITOCHE PARISH SHERIFF
NATCHITOCHE, LOUISIANA
MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)
JUNE 30, 2010

FINANCIAL ANALYSIS OF THE ENTITY

Statement of Net Assets
As of Year End

	<u>Governmental Activities</u>		<u>Business-Type Activities</u>	
	<u>2010</u>	<u>2009</u>	<u>2010</u>	<u>2009</u>
Current and other assets	\$ 5,817,499	\$ 5,047,153	\$ 3,072,169	\$ 5,719,241
Capital assets, net	<u>1,301,603</u>	<u>1,127,595</u>	<u>3,354,326</u>	<u>2,182,496</u>
Total Assets	<u>\$ 7,119,102</u>	<u>\$ 6,174,748</u>	<u>\$ 6,426,495</u>	<u>\$ 7,901,737</u>
Other liabilities	\$ 296,328	\$ 242,680	\$ 437,627	\$ 636,955
Other post employment benefits payable	132,607	0	96,421	0
Long-term debt	<u>0</u>	<u>0</u>	<u>4,695,000</u>	<u>5,115,000</u>
Total Liabilities	<u>428,935</u>	<u>242,680</u>	<u>5,229,048</u>	<u>5,751,955</u>
Net assets				
Investment in capital assets, net of related debt	1,301,603	1,127,595	51,365	567,496
Unrestricted	<u>5,388,564</u>	<u>4,804,473</u>	<u>1,146,082</u>	<u>1,582,286</u>
Total Net Assets	<u>6,690,167</u>	<u>5,932,068</u>	<u>1,197,447</u>	<u>2,149,782</u>
Total Liabilities and Net Assets	<u>\$ 7,119,102</u>	<u>\$ 6,174,748</u>	<u>\$ 6,426,495</u>	<u>\$ 7,901,737</u>

Net assets of the Natchitoches Parish Sheriff increased by \$758,099 or 12.78% and decreased by \$952,335 or 44.30% from the previous fiscal year in governmental and business-type activities, respectively. The changes in governmental activities are the result of revenues and transfers exceeding expenses during the fiscal year ended 2010 (See table below). The changes in business-type activities are the result of expenses exceeding revenues and transfers during the fiscal year ended 2010 (See table below).

Statement of Activities
For the Year Ended

	<u>Governmental Activities</u>		<u>Business-Type Activities</u>	
	<u>2010</u>	<u>2009</u>	<u>2010</u>	<u>2009</u>
General government				
Expenses	\$ (7,400,570)	\$ (6,449,539)	\$ (7,374,712)	\$ (5,845,826)
Program revenues				
Fees, charges, and commissions for services	674,290	515,916	5,240,638	5,317,574
Operating and capital grants and contributions	<u>1,611,894</u>	<u>1,517,104</u>	<u>169,623</u>	<u>141,388</u>
Subtotal	<u>(5,114,386)</u>	<u>(4,416,519)</u>	<u>(1,964,451)</u>	<u>(386,864)</u>
General revenues	6,859,490	6,792,440	25,111	33,714
Transfers	<u>(987,005)</u>	<u>(1,090,001)</u>	<u>987,005</u>	<u>1,090,001</u>
Change in net assets	<u>\$ 758,099</u>	<u>\$ 1,285,920</u>	<u>\$ (952,335)</u>	<u>\$ 736,851</u>

The Natchitoches Parish Sheriff's total revenues and transfers increased by \$423,210 or 5.47% and decreased by \$160,300 or 2.44% from the previous fiscal year in governmental and business-type activities, respectively. The total cost of all programs and services increased by \$951,031 or 14.75% and increased by \$1,528,886 or 26.15%, respectively, from the previous fiscal year in governmental and business-type activities, respectively.

NATCHITOCHE PARISH SHERIFF
NATCHITOCHE, LOUISIANA
MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)
JUNE 30, 2010

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets

At the end of 2010, the Natchitoches Parish Sheriff had \$1,301,603 and \$3,354,326, net of depreciation, in governmental and business-type activities, respectively, invested in a broad range of capital assets (See table below). This amount represents a net increase (including additions and deductions) of \$174,008 or 15.43% in governmental activities and a net increase of \$1,171,830 or 53.69% in business-type activities from the previous year.

	Capital Assets at Year End (Net of Depreciation)			
	Governmental Activities		Business-Type Activities	
	2010	2009	2010	2009
Land	\$ 4,800	\$ 4,800	\$ 146,089	\$ 146,089
Construction in progress	0	0	0	461,698
Buildings and building improvements	91,590	97,478	3,096,990	1,430,877
Automobiles	694,557	637,703	59,151	60,743
Equipment, furniture and fixtures	510,656	387,614	52,096	83,089
Total	<u>\$ 1,301,603</u>	<u>\$ 1,127,595</u>	<u>\$ 3,354,326</u>	<u>\$ 2,182,496</u>

This year's major additions and retirements included:

	Governmental Activities	Business-Type Activities
This year's major additions included:		
Construction in progress	\$ 0	\$ 0
Buildings and building improvements	0	1,950,963
Automobiles	360,081	23,025
Equipment, furniture and fixtures	263,986	1,658
Total	<u>\$ 624,067</u>	<u>\$ 1,975,646</u>
This year's major retirements included:		
Buildings and building improvements	\$ 46,250	\$ 0
Automobiles	111,027	0
Equipment, furniture and fixtures	104,641	8,609
Total	<u>\$ 261,918</u>	<u>\$ 8,609</u>

Debt

The Natchitoches Parish Sheriff had \$0 and \$4,695,000 in long-term debt in governmental and business-type activities, respectively, outstanding at year end. This amount represents no change and a net decrease of \$420,000 or 8.21% in governmental and business-type activities, respectively, as shown in the table below.

	Outstanding Debt at Year End			
	Governmental Activities		Business-Type Activities	
	2010	2009	2010	2009
Revenue bonds-2004	\$ 0	\$ 0	\$ 1,375,000	\$ 1,615,000
Revenue bonds-2008	0	0	3,320,000	3,500,000
Totals	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 4,695,000</u>	<u>\$ 5,115,000</u>

New debt during the year included:

None.

NATCHITOCHES PARISH SHERIFF
NATCHITOCHES, LOUISIANA
MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)
JUNE 30, 2010

VARIATIONS BETWEEN ORIGINAL AND FINAL BUDGETS

Actual revenues were \$342,630 more than budgeted amounts due to taxes being more than expected.

Actual expenditures were \$1,759,079 less than budgeted amounts due to personal services being less than expected.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET

Management of the Natchitoches Parish Sheriff considered the following factors and indicators when setting next year's budget, rates, and fees. These factors and indicators include:

Governmental Activities

- 1) Taxes
- 2) Intergovernmental revenues (local, state and federal grants)
- 3) Fees, charges, and commissions for services

The Natchitoches Parish Sheriff does not expect any significant changes in next year's results as compared to the current year.

Business-Type Activities

- 1) Number of inmates
- 2) Intergovernmental revenues (local, state and federal grants)
- 3) Cost of Operations

The Natchitoches Parish Sheriff does not expect any significant changes in next year's results as compared to the current year.

CONTACTING THE NATCHITOCHES PARISH SHERIFF'S MANAGEMENT

This financial report is designed to provide our citizens, taxpayers, customers, investors and creditors with a general overview of the Natchitoches Parish Sheriff's finances and to show the Natchitoches Parish Sheriff's accountability for the money it receives. If you have questions about this report or need additional financial information, contact Victor Jones, Sheriff, P. O. Box 266, Natchitoches, Louisiana 71458.

EXHIBIT A

NATCHITOCHES PARISH SHERIFF
NATCHITOCHES, LOUISIANA
STATEMENT OF NET ASSETS
JUNE 30, 2010 AND 2009

	2010			2009
	Governmental Activities	Business-Type Activities	Total	Total
ASSETS				
Current Assets				
Cash	\$ 3,220,790	\$ 2,628,081	\$ 5,848,871	\$ 7,924,315
Investments	2,120,445	0	2,120,445	1,434,421
Accounts receivable	444,102	326,075	770,177	1,217,492
Prepaid expenses	<u>32,162</u>	<u>103,236</u>	<u>135,398</u>	<u>172,043</u>
Total Current Assets	5,817,499	3,057,392	8,874,891	10,748,271
Noncurrent Assets				
Capital assets, net	1,301,603	3,354,326	4,655,929	3,310,091
Deferred debt expense, net	<u>0</u>	<u>14,777</u>	<u>14,777</u>	<u>18,123</u>
Total Assets	<u>\$ 7,119,102</u>	<u>\$ 6,426,495</u>	<u>\$ 13,545,597</u>	<u>\$ 14,076,485</u>
LIABILITIES AND NET ASSETS				
LIABILITIES				
Current Liabilities				
Current portion of long-term debt	\$ 0	\$ 445,000	\$ 445,000	\$ 420,000
Accounts payable and accruals	286,647	447,308	733,955	879,635
Internal balances	<u>9,681</u>	<u>(9,681)</u>	<u>0</u>	<u>0</u>
Total Current Liabilities	296,328	882,627	1,178,955	1,299,635
Noncurrent Liabilities				
Other post employment benefits payable	132,607	96,421	229,028	0
Long-term debt, net of current portion	<u>0</u>	<u>4,250,000</u>	<u>4,250,000</u>	<u>4,695,000</u>
Total Liabilities	428,935	5,229,048	5,657,983	5,994,635
NET ASSETS				
Investment in capital assets, net of related debt	1,301,603	51,365	1,352,968	1,695,091
Unrestricted	<u>5,388,564</u>	<u>1,146,082</u>	<u>6,534,646</u>	<u>6,386,759</u>
Total Net Assets	<u>6,690,167</u>	<u>1,197,447</u>	<u>7,887,614</u>	<u>8,081,850</u>
Total Liabilities and Net Assets	<u>\$ 7,119,102</u>	<u>\$ 6,426,495</u>	<u>\$ 13,545,597</u>	<u>\$ 14,076,485</u>

The accompanying notes are an integral part of this statement.

EXHIBIT B

**NATCHITOCHES PARISH SHERIFF
NATCHITOCHES, LOUISIANA
STATEMENT OF ACTIVITIES
FOR THE YEARS ENDED JUNE 30, 2010 AND 2009**

	2010					2009	
	Fees, Charges, and						
	Expenses	Commissions for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-Type Activities	Total
Governmental Activities							
General Government							
Personal services	\$ 5,173,282	\$ 501,876	\$ 975,013	\$ 0	\$ (3,696,393)	\$ 0	\$ (3,151,994)
Travel	62,345	6,048	11,750	0	(44,547)	0	(41,830)
Operating services	922,530	89,497	173,870	0	(659,163)	0	(553,921)
Supplies	686,925	66,641	129,466	0	(490,818)	0	(479,477)
Professional services	105,429	10,228	0	0	(95,201)	0	(118,105)
Depreciation	450,059	0	0	321,795	(128,264)	0	(71,192)
Total Governmental Activities	7,400,570	674,290	1,290,099	321,795	(5,114,386)	0	(4,416,519)
Business-Type Activities							
Detention Center	7,374,712	5,240,638	169,623	0	0	(1,964,451)	(386,864)
Total Business-Type Activities	7,374,712	5,240,638	169,623	0	0	(1,964,451)	(386,864)
Total Government	\$ 14,775,282	\$ 5,914,928	\$ 1,459,722	\$ 321,795	(5,114,386)	(1,964,451)	(4,803,383)
General Revenues							
Taxes					6,429,729	0	6,429,729
State revenue sharing					165,482	0	165,482
Interest income					78,912	25,111	104,023
Miscellaneous					185,367	0	185,367
Transfers					(987,005)	987,005	0
Total General Revenues and Transfers					5,872,485	1,012,116	6,884,601
Change in Net Assets					758,099	(952,335)	(194,236)
Net Assets, Beginning of year					5,932,068	2,149,782	8,081,850
Net Assets, End of year					\$ 6,690,167	\$ 1,197,447	\$ 7,887,614

The accompanying notes are an integral part of this statement.

EXHIBIT C

NATCHITOCHES PARISH SHERIFF
NATCHITOCHES, LOUISIANA
BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2010 AND 2009

	<u>2010</u>	<u>2009</u>
Assets		
Cash	\$ 3,220,790	\$ 3,049,983
Investments	2,120,445	1,434,421
Accounts receivable	444,102	520,183
Prepaid expenses	<u>32,162</u>	<u>42,566</u>
Total Assets	<u>\$ 5,817,499</u>	<u>\$ 5,047,153</u>
Liabilities and Fund Balances		
Liabilities		
Accounts payable and accruals	\$ 286,647	\$ 235,455
Due to other funds	<u>9,681</u>	<u>7,225</u>
Total Liabilities	296,328	242,680
Fund Balances		
Unreserved	<u>5,521,171</u>	<u>4,804,473</u>
Total Net Assets	<u>5,521,171</u>	<u>4,804,473</u>
Total Liabilities and Fund Balances	<u>\$ 5,817,499</u>	<u>\$ 5,047,153</u>

The accompanying notes are an integral part of this statement.

EXHIBIT D

NATCHITOCHEs PARISH SHERIFF
NATCHITOCHEs, LOUISIANA
RECONCILIATION OF THE GOVERNMENTAL FUNDS
BALANCE SHEET TO THE STATEMENT OF NET ASSETS
JUNE 30, 2010

Total Fund Balances for Governmental Funds (Exhibit C) \$ 5,521,171

Total Net Assets reported for governmental activities in the statement of net assets is different because:

Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds. Those assets consist of:

Land	\$ 4,800	
Buildings and building improvements, net of \$67,413 in accumulated depreciation.	91,590	
Automobiles, net of \$1,263,987 in accumulated depreciation.	694,557	
Equipment, furniture, and fixtures net of \$370,696 in accumulated depreciation.	\$ 510,656	
Total Capital Assets		1,301,603

Long-term liabilities, such as other post employment benefits payable, are not due and payable in the current period and therefore are not reported in the fund liabilities. (132,607)

Total Net Assets of Governmental Activities (Exhibit A) \$ 6,690,167

NATCHITOCHE PARISH SHERIFF
NATCHITOCHE, LOUISIANA
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE YEARS ENDED JUNE 30, 2010 AND 2009

	<u>2010</u>	<u>2009</u>
Revenues		
Taxes	\$ 6,429,729	\$ 6,383,098
State revenue sharing	165,482	165,742
Intergovernmental revenues	1,611,894	1,517,104
Fees, charges, and commissions for services	674,290	515,916
Interest	78,912	57,342
Miscellaneous	<u>185,367</u>	<u>186,258</u>
Total Revenues	9,145,674	8,825,460
Expenditures		
General government		
Personal services	5,040,675	4,408,306
Travel	62,345	58,502
Operating services	922,530	774,700
Supplies	686,925	670,586
Professional services	105,429	165,180
Capital outlay	<u>624,067</u>	<u>441,780</u>
Total Expenditures	7,441,971	6,519,054
Excess/(Deficiency) Of Revenues Over Expenditures	1,703,703	2,306,406
Other Financing Sources/(Uses)		
Transfers	<u>(987,005)</u>	<u>(1,090,001)</u>
Total Other Financing Sources/(Uses)	(987,005)	(1,090,001)
Net Change in Fund Balances	716,698	1,216,405
Fund Balances, Beginning of year	<u>4,804,473</u>	<u>3,588,068</u>
Fund Balances, End of year	<u>\$ 5,521,171</u>	<u>\$ 4,804,473</u>

The accompanying notes are an integral part of this statement.

EXHIBIT F

NATCHITOCHE PARISH SHERIFF
NATCHITOCHE, LOUISIANA
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2010

Net Change in Fund Balances-Total Governmental Funds (Exhibit E) \$ 716,698

The change in Net Assets reported for governmental activities in the statement of activities is different because:

Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlay (\$624,067) exceeds depreciation (\$450,059) in the current period. 174,008

Some expense reported in the statement of activities, such as other post employment benefits, do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds. (132,607)

Change in Net Assets of Governmental Activities (Exhibit B) \$ 758,099

EXHIBIT G

NATCHITOCHE PARISH SHERIFF
NATCHITOCHE, LOUISIANA
STATEMENT OF NET ASSETS
PROPRIETARY FUNDS
JUNE 30, 2010 AND 2009

	<u>2010</u>	<u>2009</u>
ASSETS		
Current Assets		
Cash	\$ 2,628,081	\$ 4,874,332
Accounts receivable	326,075	697,309
Due from other funds	9,681	7,225
Prepaid expenses	<u>103,236</u>	<u>129,477</u>
Total Current Assets	3,067,073	5,708,343
Noncurrent Assets		
Capital assets, net	3,354,326	2,182,496
Deferred debt expense, net	<u>14,777</u>	<u>18,123</u>
Total Assets	<u>\$ 6,436,176</u>	<u>\$ 7,908,962</u>
LIABILITIES AND NET ASSETS		
LIABILITIES		
Current Liabilities		
Current portion of long-term debt	\$ 445,000	\$ 420,000
Accounts payable and accruals	<u>447,308</u>	<u>644,180</u>
Total Current Liabilities	892,308	1,064,180
Noncurrent Liabilities		
Other post employment benefits payable	96,421	0
Long-term debt, net of current portion	<u>4,250,000</u>	<u>4,695,000</u>
Total Liabilities	5,238,729	5,759,180
NET ASSETS		
Investment in capital assets, net of related debt	51,365	567,496
Unrestricted	<u>1,146,082</u>	<u>1,582,286</u>
Total Net Assets	<u>1,197,447</u>	<u>2,149,782</u>
Total Liabilities and Net Assets	<u>\$ 6,436,176</u>	<u>\$ 7,908,962</u>

The accompanying notes are an integral part of this statement.

NATCHITOCHE PARISH SHERIFF
NATCHITOCHE, LOUISIANA
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET ASSETS
PROPRIETARY FUNDS
FOR THE YEARS ENDED JUNE 30, 2010 AND 2009

	<u>2010</u>	<u>2009</u>
OPERATING REVENUES		
Charges for services	\$ 4,217,322	\$ 4,302,773
Commissary	330,743	319,187
Work release revenues	463,039	477,764
Other	<u>229,534</u>	<u>217,850</u>
Total Operating Revenues	5,240,638	5,317,574
OPERATING EXPENSES		
Amortization expense	3,346	3,346
Bad debts	451,034	0
Depreciation	342,118	249,933
Employee benefits	750,005	590,745
Food	740,522	464,457
Fuel	58,014	49,029
Insurance	158,111	166,317
Medical expense	337,117	377,882
Miscellaneous	397	1,974
Payroll taxes	54,476	49,021
Prisoner security	16,038	17,704
Professional services	45,725	31,776
Repairs and maintenance	75,145	76,786
Retirement	276,876	235,668
Salaries	2,798,294	2,428,288
Supplies	796,103	686,160
Telephone	46,583	34,445
Training	7,339	3,520
Uniforms	36,869	30,631
Utilities	<u>253,553</u>	<u>259,591</u>
Total Operating Expenses	<u>7,247,665</u>	<u>5,757,273</u>
Operating Income	(2,007,027)	(439,699)
Nonoperating Revenues/(Expenses)		
Interest income	25,111	33,714
Interest expense	(127,047)	(88,553)
Intergovernmental revenues	<u>169,623</u>	<u>141,388</u>
Total Nonoperating Revenues/(Expenses)	<u>67,687</u>	<u>86,549</u>
Income Before Transfers	(1,939,340)	(353,150)
Transfers In	<u>987,005</u>	<u>1,090,001</u>
Change in Net Assets	(952,335)	736,851
Net Assets, Beginning of year	<u>2,149,782</u>	<u>1,412,931</u>
Net Assets, End of year	<u>\$ 1,197,447</u>	<u>\$ 2,149,782</u>

The accompanying notes are an integral part of this statement.

EXHIBIT I

NATCHITOCHEs PARISH SHERIFF
NATCHITOCHEs, LOUISIANA
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE YEARS ENDED JUNE 30, 2010 AND 2009

	<u>2010</u>	<u>2009</u>
Cash Flows From Operating Activities		
Receipts from customers	\$ 5,607,537	\$ 4,997,726
Cash payments to suppliers for goods and services	(4,074,882)	(2,956,405)
Cash payments to employees for services	(2,798,180)	(2,424,517)
Other operating revenues/(expenses)	<u>0</u>	<u>0</u>
Net Cash From Operating Activities	(1,265,525)	(383,196)
Cash Flows From Non-Capital Financing Activities		
Intergovernmental revenues	171,502	170,634
Other nonoperating activity, inmate accounts	<u>(99,685)</u>	<u>23,705</u>
Net Cash From Non-Capital Financing Activities	71,817	194,339
Cash Flows From Capital and Related Financing Activities		
Payments to Natchitoches Parish Sheriff, general fund	987,005	1,090,001
Proceeds from revenue bonds	0	3,500,000
Principal payments on revenue bonds	(420,000)	(230,000)
Acquisition/construction of capital assets	(1,513,948)	(488,917)
Interest paid	<u>(130,711)</u>	<u>(37,099)</u>
Net Cash From Capital and Related Financing Activities	(1,077,654)	3,833,985
Cash Flows From Investing Activities		
Interest income	<u>25,111</u>	<u>33,714</u>
Cash Flows From Investing Activities	<u>25,111</u>	<u>33,714</u>
Net Increase/(Decrease) in Cash	(2,246,251)	3,678,842
Cash, Beginning of year	<u>4,874,332</u>	<u>1,195,490</u>
Cash, End of year	<u>\$ 2,628,081</u>	<u>\$ 4,874,332</u>
Reconciliation of Operating Income to Net Cash From Operating Activities		
Operating income/(loss)	\$ (2,007,027)	\$ (439,699)
Adjustments to reconcile operating income to net cash from operating activities		
Amortization expense	3,346	3,346
Bad debt expense	451,034	0
Depreciation expense	342,118	249,933
(Increase)/decrease in operating assets		
Accounts receivable	(84,135)	(319,848)
Prepaid expenses	26,241	(15,269)
Increase/(decrease) in operating liabilities		
Accounts payable and accruals	(93,523)	138,341
Other post employment benefits payable	<u>96,421</u>	<u>0</u>
Net Cash Flows From Operating Activities	<u>\$ (1,265,525)</u>	<u>\$ (383,196)</u>

The accompanying notes are an integral part of this statement.

NATCHITOCHES PARISH SHERIFF
NATCHITOCHES, LOUISIANA
STATEMENT OF FIDUCIARY ASSETS AND LIABILITIES
FIDUCIARY FUNDS
JUNE 30, 2010 AND 2009

	2010				2009
	Tax Collector Fund	Bond Fund	Civil Fund	Total	Total
Assets					
Cash	\$ 531,165	\$ 144,316	\$ 6,683	\$ 682,164	\$ 415,834
Total Assets	<u>\$ 531,165</u>	<u>\$ 144,316</u>	<u>\$ 6,683</u>	<u>\$ 682,164</u>	<u>\$ 415,834</u>
Liabilities					
Due to other governments	\$ 531,165	\$ 144,316	\$ 6,683	\$ 682,164	\$ 415,834
Total Liabilities	<u>\$ 531,165</u>	<u>\$ 144,316</u>	<u>\$ 6,683</u>	<u>\$ 682,164</u>	<u>\$ 415,834</u>

The accompanying notes are an integral part of this statement.

NATCHITOCHES PARISH SHERIFF
NATCHITOCHES, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2010

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

As provided by Article V, Section 27 of the Louisiana Constitution of 1974, the sheriff serves a four year term as the chief executive officer of the law enforcement district and ex-officio tax collector of the parish. The sheriff also administers the parish jail system and exercises duties required by the parish court system, such as providing bailiffs, executing orders of the court, serving subpoenas, et cetera.

As the chief law enforcement officer of the parish, the sheriff has the responsibility for enforcing state and local laws and ordinances within the territorial boundaries of the parish. The sheriff provides protection to the residents of the parish through on-site patrols and investigations and serves the residents of the parish through the establishment of neighborhood watch programs, anti-drug abuse programs, et cetera. Additionally, the sheriff, when requested, provides assistance to other law enforcement agencies within the parish.

As the ex-officio tax collector of the parish, the sheriff is responsible for the collection and distribution of ad valorem taxes, parish occupational licenses, state revenue sharing funds, and fines, costs, and bond forfeitures imposed by the district court.

A. Basis of Accounting

The accompanying financial statements of the Natchitoches Parish Sheriff have been prepared in conformity with governmental accounting principles generally accepted in the United States of America. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The accompanying basic financial statements have been prepared in conformity with GASB Statement No. 34, Basic Financial Statements - and Management's Discussion and Analysis - for State and Local Governments, issued in June 1999.

B. Reporting Entity

The Natchitoches Parish Sheriff is an independent elected parish official. His office receives funding primarily through ad valorem taxes, state revenue sharing, intergovernmental revenues and fees, charges, and commissions for services. The office is independent and receives no financial benefit from the Natchitoches Parish Police Jury other than the provision of office space and utilities related to the office space. The Natchitoches Parish Sheriff was determined not to be a component unit of the Natchitoches Parish Police Jury.

Based on the application of criteria established by GASB Statement No. 14, it was determined that the Natchitoches Parish Sheriff has no financial accountability and exercises no oversight responsibility for any other entity. Therefore, the accompanying financial statements present information only on the funds maintained by the Natchitoches Parish Sheriff.

C. Fund Accounting

The Natchitoches Parish Sheriff uses funds to maintain its financial records during the year. Fund accounting is designed to demonstrate legal compliance and to aid management by segregating transactions related to certain Sheriff functions and activities. A fund is defined as a separate fiscal and accounting entity with a self-balancing set of accounts. Funds of the Sheriff are classified into three categories: governmental, proprietary and fiduciary, as follows:

NATCHITOCHES PARISH SHERIFF
NATCHITOCHES, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2010

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

C. Fund Accounting (Continued)

Governmental Funds

Governmental funds account for all or most of the Natchitoches Parish Sheriff's general activities. These funds focus on the sources, uses, and balances of current financial resources. Expendable assets are assigned to the various governmental funds according to the purposes for which they may be used. Current liabilities are assigned to the fund from which they will be paid. The difference between a governmental fund's assets and liabilities is reported as fund balance. In general, fund balance represents the accumulated expendable resources which may be used to finance future period programs or operations of the Sheriff. The following are the Sheriff's governmental funds:

General Fund - The general fund, as provided by Louisiana Revised Statute 33:1422, is the principal fund of the Natchitoches Parish Sheriff and is used to account for the operations of the Sheriff's office. The Sheriff's primary source of revenue is an ad valorem tax. Other sources of revenue include state revenues sharing, intergovernmental revenues and fees, charges and commissions for services. General operating expenditures are paid from this fund.

Proprietary Funds

Proprietary funds account for activities similar to those found in the private sector, where the determination of net income is necessary or useful to sound financial administration. Proprietary funds differ from governmental funds in that their focus is on income measurement, which, together with the maintenance of equity, is an important financial indicator. The Natchitoches Parish Sheriff applies all GASB pronouncements as well as the Financial Accounting Standards Board pronouncements issued on or before November 30, 1989, unless those pronouncements conflict with or contradict GASB pronouncements.

Enterprise Fund - The enterprise fund is used to account for operations a) that are financed and operated in a manner similar to private business enterprises - where the intent of the governing body is that the costs (expenses, including depreciation) of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges; or b) where the governing body has decided the periodic determination of revenue earned, expenses incurred, and/or net income is appropriate for capital maintenance, public policy, management control, accountability, or other purposes.

Fiduciary Funds

Fiduciary funds reporting focuses on net assets and changes in net assets. The only funds accounted for in this category by the Sheriff are agency funds. These funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations. Consequently, the agency funds have no measurement focus, but use the modified accrual basis of accounting.

Agency Fund - The agency funds are used as depositories for ad valorem taxes, civil suits, cash bonds, taxes and fees. Disbursements from the funds are made to various parish agencies, litigants in suits, and others, in the manner prescribed by law.

NATCHITOCHEs PARISH SHERIFF
NATCHITOCHEs, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2010

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

D. Measurement Focus/Basis of Accounting

Government - Wide Financial Statements

The government-wide financial statements (i.e., the Statement of Net Assets, Exhibit A, and the Statement of Activities, Exhibit B) report information on all of the nonfiduciary activities of the Natchitoches Parish Sheriff. For the most part, the effect of interfund activity has been removed from these statements. Governmental activities, which normally are supported by taxes, state revenue sharing, intergovernmental revenues and fees, charges, and commissions for services, are reported separately from business-type activities, which rely to a significant extent on fees, charges, and commissions for services.

The government-wide financial statements were prepared using the economic resources measurement focus. The government-wide and proprietary fund financial statements are reported using the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Revenues, expenses, gains, losses, assets and liabilities resulting from nonchange transactions are recognized in accordance with the requirements of GASB Statement No. 33, Accounting and Financial Reporting for Nonexchange Transactions. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Fund Financial Statements

Governmental fund financial statements are reported using the current financial resources measurement focus. With this measurement focus, only current assets and current liabilities are generally included on the balance sheet (Exhibit C). The Statement of Revenues, Expenditures, and Changes in Fund Balances (Exhibit E) reports on the sources (i.e., revenues and other financing sources) and uses (i.e., expenditures and other financing uses) of current financial resources. This approach differs from the manner in which the governmental activities of the government - wide financial statements are prepared. Governmental fund financial statements therefore include a reconciliation with brief explanations to better identify the relationship between the government - wide statements and the statements for governmental funds. The focus of governmental fund financial statements is on major funds rather than reporting funds by type. Each major fund is presented in a separate column.

Governmental funds and the agency fund use the modified accrual basis of accounting. Under this method, revenues are recognized when measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures are recorded when the related fund liability is incurred, except for principal and interest on general long-term debt and claims and judgments, which are recognized as expenditures to the extent they have matured. General capital asset acquisitions are reported as expenditures in governmental funds. Transfers between funds that are not expected to be repaid (or any other similar type items, such as capital lease transactions, sale of fixed assets, debt extinguishment, long-term proceeds, et cetera) are accounted for as other financing sources/(uses). These other financing sources/(uses) are recognized at the time the underlying events occur.

NATCHITOCHES PARISH SHERIFF
NATCHITOCHES, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2010

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

E. Budgetary Accounting

Formal budgetary accounting is employed as a management control. The Natchitoches Parish Sheriff prepares and adopts a budget each year for its general fund in accordance with Louisiana Revised Statutes. The operating budget is prepared based on prior year's revenues and expenditures and the estimated increase therein for the current year, using the full accrual basis of accounting. The Sheriff amends its budget when projected revenues are expected to be less than budgeted revenues by five percent or more and/or projected expenditures are expected to be more than budgeted amounts by five percent or more. All budget appropriations lapse at year end.

F. Cash and Cash Equivalents

Cash and cash equivalents are considered to be cash on hand, demand deposits, and short-term investments with original maturities of three months or less from the date of acquisition.

G. Investments

Investments are limited by Louisiana Revised Statute and the sheriff's investment policy.

H. Receivables

All receivables are reported at their gross value and, where applicable, are reduced by the estimated portion that is expected to be uncollectible.

I. Bad Debts

Uncollectible accounts receivable are recognized as bad debts through the establishment of an allowance account at the time information becomes available which would indicate the uncollectibility of the particular receivable. At June 30, 2010, \$0 and \$0 of Governmental and Business-Type Activities receivables, respectively, were considered to be uncollectible.

J. Short-term Interfund Receivables/Payables

During the course of operations, numerous transactions occur between individual funds for goods provided or services rendered. These receivables and payables are classified as due from other funds or due to other funds on the balance sheet. Short-term interfund loans are classified as interfund receivable/payables.

K. Capital Assets

Capital assets are carried at historical costs. Depreciation of all exhaustible capital assets used by the Natchitoches Parish Sheriff are charged as an expense against operations in the Statement of Activities. Capital assets net of accumulated depreciation are reported on the Statement of Net Assets. Depreciation is computed using the straight line method over the estimated useful life of the assets, generally 10 to 40 years for buildings and other improvements and 5 to 10 years for moveable property. Expenditures for maintenance, repairs and minor renewals are charged to earnings as incurred. Major expenditures for renewals and betterments are capitalized.

NATCHITOCHES PARISH SHERIFF
NATCHITOCHES, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2010

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

L. Deferred Debt Expense

Bond issue costs and bond discounts are capitalized and amortized over the terms of the respective bonds using a method which approximates the effective interest method. Total bond issue costs and bond discounts (deferred debt expense) paid by the enterprise fund, Detention Center, was \$33,458. The amortization expense related to deferred debt expense was \$3,346 for the year ended June 30, 2010.

M. Compensated Absences

Employees of the Natchitoches Parish Sheriff that have been employed one year or more earn two weeks of vacation leave per year. Vacation leave is prorated for employees having less than a year of service. Vacation leave does not carryover or accumulate from one fiscal year to the next, and there are no vesting privileges. Therefore no liability for compensated absences has been recorded in the accompanying financial statements.

N. Restricted Net Assets

For government-wide statements of net assets, net assets are reported as restricted when constraints placed on net assets use are either: 1) externally imposed by creditors (such as debt covenants), grantors, contributors, or laws or regulations of other governments; and 2) imposed by law through constitutional provisions or enabling legislation.

O. Fund Equity

In the fund financial statements, governmental funds report reservations of fund balances for amounts that are not available for appropriation or are legally restricted by outside parties for use for a specific purpose.

P. Extraordinary and Special Items

Extraordinary items are transactions or events that are both unusual in nature and infrequent in occurrence. Special items are transactions or events within the control of the sheriff, which are either unusual in nature or infrequent in occurrence.

Q. Interfund Transactions

Transactions that constitute reimbursements to a fund for expenditures initially made from it that are properly applicable to another fund are recorded as expenditures in the reimbursing fund and as reductions of expenditures in the fund that is reimbursed. Nonrecurring or non routine permanent transfers of equity are reported as residual equity transfers. All other interfund transactions are reported as transfers.

R. Sales Taxes

The Natchitoches Parish Sheriff collects a one-half percent parish-wide sales and use tax with the net proceeds, after deducting costs of collection and administration, dedicated and used to meet the increased costs and expenses for critical operations of the Sheriff's Office. The tax, approved by the voters on July 15, 2006, was effective October 1, 2006 and is for a period of 10 years.

NATCHITOCHES PARISH SHERIFF
NATCHITOCHES, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2010

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

S. Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

NOTE 2 LEVIED TAXES

The Natchitoches Parish Sheriff levies taxes on real and business personal property located within its boundaries. Ad valorem taxes are assessed on a calendar year basis, levied and become due on November 15 of each year and become an enforceable lien on property as of December 31 of each year. The following is a summary of authorized and levied ad valorem taxes as of June 30, 2010:

	<u>Authorized Millage</u>	<u>Levied Millage</u>	<u>Expiration Date</u>
Law enforcement	18.14	18.14	Statutory

NOTE 3 DEPOSITS WITH FINANCIAL INSTITUTIONS AND INVESTMENTS

A. Deposits with Financial Institutions

For reporting purposes, deposits with financial institutions includes savings, demand deposits, time deposits, and certificates of deposit. Under state law the Natchitoches Parish Sheriff may deposit funds within a fiscal agent bank selected and designated by the Interim Emergency Board. Further the Sheriff may invest in time certificates of deposit of state banks organized under the laws of Louisiana, national banks having their principal office in the state of Louisiana, in savings accounts or shares of savings and loan associations and savings banks and in share accounts and share certificate accounts of federally or state chartered credit unions.

Deposits in bank accounts are stated at cost, which approximates market. Under state law, these deposits must be secured by federal deposit insurance or the pledge of securities owned by the fiscal agent bank. The market value of the pledged securities plus the federal deposit insurance must at all times equal the amount on deposit with the fiscal agent bank. These pledged securities are held in the name of the pledging fiscal agent bank in a holding or custodial bank that is mutually acceptable to both parties. At June 30, 2010, the Natchitoches Parish Sheriff had bank deposit balances per books of \$7,170,464, as follows:

Demand deposits	\$	584,558
Interest-bearing demand deposits		5,945,777
Certificates of Deposit, maturities greater than 90 days		<u>640,129</u>
Total	\$	<u>7,170,464</u>

NATCHITOCHES PARISH SHERIFF
NATCHITOCHES, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2010

NOTE 3 DEPOSITS WITH FINANCIAL INSTITUTIONS AND INVESTMENTS (CONTINUED)

A. Deposits with Financial Institutions (Continued)

The deposits at June 30, 2010 were secured as follows:

	<u>Cash</u>	<u>Certificates of Deposit</u>	<u>Total</u>
Bank Balances (Category 3 Only, If Any)			
a. Uninsured and uncollateralized	\$ 0	\$ 0	\$ 0
b. Uninsured and uncollateralized with securities held by the pledging institution	0	0	0
c. Uninsured and uncollateralized with securities held by the pledging institution's trust department or agent but not in the entity's name	0	0	0
Total Category 3 Bank Balances	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>
Total Bank Balances (All Categories Including Category 3 Reported Above)	<u>\$ 6,961,642</u>	<u>\$ 640,129</u>	<u>\$ 7,601,771</u>

The following is a breakdown by banking institution and amount of the balances shown above:

<u>Banking Institution</u>	<u>Amount</u>
American Bank North	\$ 175,020
Bank of Montgomery	616,411
Barclays Bank	90,010
City Bank & Trust Company	3,091,230
Exchange Bank	843,973
Harris, NA	25,010
HSBC Bank USA, N.A.	25,010
JP Morgan Chase	125,030
Peoples State Bank	264,790
Sabine State Bank	1,921,539
Suntrust Bank	40,019
Rabo Bank, N.A.	75,010
Union Bank, N.A.	35,010
Wachovia Bank	223,699
Wells Fargo Bank	50,010
Total	<u>\$ 7,601,771</u>

B. Investments

The Natchitoches Parish Sheriff maintains investment accounts as authorized by the Louisiana Revised Statutes. Under state law, the Sheriff may invest in obligations of the U. S. Treasury and U. S. Agencies, or certificates of deposit. Investments are carried at fair market value as of the balance sheet date.

Investments can be classified according to the level of risk to the entity. Investments made by the Natchitoches Parish Sheriff as of June 30, 2010 are summarized below by the category of risk.

Category 1 Insured or registered in the entity's name, or security held by the entity or its agent in the entity's name.

NATCHITOCHE PARISH SHERIFF
NATCHITOCHE, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2010

NOTE 3 DEPOSITS WITH FINANCIAL INSTITUTIONS AND INVESTMENTS (CONTINUED)

B. Investments (Continued)

Category 2 Uninsured or registered with securities held by the counterparty's trust department or agent in the entity's name.

Category 3 Unsecured and unregistered with securities held by the counterparty, or by its trust department or agent but not in the entity's name.

<u>Type of Investments</u>	<u>Amount Reported in Risk Category 3, If Any</u>		<u>Total Reported Amount - All Categories (Including Category 3)</u>	<u>Total Fair Value - All Categories (Including Category 3)</u>
	<u>Held By Counterparty</u>	<u>Held By Counterparty's Trust Dept. Or Agent Not In Entity's Name</u>		
Money market accounts	\$ 0	\$ 0	\$ 223,699	\$ 223,699
U.S. Government securities	0	0	1,256,617	1,256,617
Total	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 1,480,316</u>	<u>\$ 1,480,316</u>

NOTE 4 ACCOUNTS RECEIVABLE

The following is a summary of accounts receivable at June 30, 2010:

	<u>Governmental Activities</u>	<u>Business-Type Activities</u>	<u>Total</u>
Taxes	\$ 257,906	\$ 0	\$ 257,906
Fees, charges, and commissions for services	33,419	0	33,419
Charges for services	0	320,019	320,019
Intergovernmental revenues	146,443	15,337	161,780
Other	6,334	400	6,734
Total	<u>\$ 444,102</u>	<u>\$ 335,756</u>	<u>\$ 779,858</u>

NOTE 5 INTERFUND RECEIVABLES/PAYABLES

Interfund receivables/payables at June 30, 2010, resulting from the timing of transactions between funds are expected to be collected/repaid during the following fiscal year, are as follows:

<u>Fund</u>	<u>Receivable</u>	<u>Payable</u>
Governmental activities	\$ 0	\$ 9,681
Business-type activities	9,681	0
Total	<u>\$ 9,681</u>	<u>\$ 9,681</u>

NATCHITOCES PARISH SHERIFF
NATCHITOCES, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2010

NOTE 6 CAPITAL ASSETS

A summary of the Natchitoches Parish Sheriff's capital assets at June 30, 2010 follows:

	Balance June 30, 2009	Additions	Retirements	Balance June 30, 2010
Governmental Activities				
Capital Assets, not being depreciated				
Land	\$ 4,800	\$ 0	\$ 0	\$ 4,800
Total Capital Assets, not being depreciated	4,800	0	0	4,800
Capital Assets, being depreciated				
Buildings and building improvements	205,253	0	(46,250)	159,003
Less accumulated depreciation	(107,775)	(5,888)	46,250	(67,413)
Total Buildings and Building Improvements	97,478	(5,888)	0	91,590
Automobiles	1,709,490	360,081	(111,027)	1,958,544
Less accumulated depreciation	(1,071,787)	(303,227)	111,027	(1,263,987)
Total Automobiles	637,703	56,854	0	694,557
Equipment, furniture and fixtures	722,007	263,986	(104,641)	881,352
Less accumulated depreciation	(334,393)	(140,944)	104,641	(370,696)
Total Equipment, Furniture and Fixtures	387,614	123,042	0	510,656
Total Capital Assets, being depreciated	1,122,795	174,008	0	1,296,803
Governmental Activities				
Total Capital Assets, net	\$ 1,127,595	\$ 174,008	\$ 0	\$ 1,301,603
Business-Type Activities				
Capital Assets, not being depreciated				
Land	\$ 146,089	\$ 0	\$ 0	\$ 146,089
Construction in progress	461,698	0	(461,698)	0
Total Capital Assets, not being depreciated	607,787	0	(461,698)	146,089
Capital Assets, being depreciated				
Buildings and Building Improvements	3,650,262	1,950,963	0	5,601,225
Less accumulated depreciation	(2,219,385)	(284,850)	0	(2,504,235)
Total Buildings and Building Improvements	1,430,877	1,666,113	0	3,096,990
Automobiles	161,931	23,025	0	184,956
Less accumulated depreciation	(101,188)	(24,617)	0	(125,805)
Total Automobiles	60,743	(1,592)	0	59,151
Equipment, furniture and fixtures	220,759	1,658	(8,609)	213,808
Less accumulated depreciation	(137,670)	(32,651)	8,609	(161,712)
Total Equipment, Furniture and Fixtures	83,089	(30,993)	0	52,096
Total Capital Assets, being depreciated	1,574,709	1,633,528	0	3,208,237
Business-Type Activities				
Total Capital Assets, net	\$ 2,182,496	\$ 1,633,528	\$ (461,698)	\$ 3,354,326
Total Government				
Total Capital Assets, net	\$ 3,310,091	\$ 1,807,536	\$ (461,698)	\$ 4,655,929

No depreciation expense was charged directly to any governmental functions.

NATCHITOCHES PARISH SHERIFF
NATCHITOCHES, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2010

NOTE 7 ACCOUNTS PAYABLE AND ACCRUALS

The following is a summary of accounts payable at June 30, 2010:

	<u>Governmental Activities</u>	<u>Business-Type Activities</u>	<u>Total</u>
Vendor	\$ 70,497	\$ 206,067	\$ 276,564
Salaries and related benefits	36,243	3,885	40,128
Interest	0	55,247	55,247
Other	179,907	182,109	362,016
Total	<u>\$ 286,647</u>	<u>\$ 447,308</u>	<u>\$ 733,955</u>

NOTE 8 LONG TERM-DEBT

The following is a summary of the long-term debt obligations of the Natchitoches Parish Sheriff for the year ended June 30, 2010:

	<u>Balance June 30, 2009</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance June 30, 2010</u>	<u>Current Amounts</u>
Business-Type Activities					
Revenue bonds - 2004	\$ 1,615,000	\$ 0	\$ 240,000	\$ 1,375,000	\$ 255,000
Revenue bonds - 2008	3,500,000	0	180,000	3,320,000	190,000
Total	<u>\$ 5,115,000</u>	<u>\$ 0</u>	<u>\$ 420,000</u>	<u>\$ 4,695,000</u>	<u>\$ 445,000</u>

The terms of the individual long-term debt issues of the Sheriff are as follows:

	<u>Interest Rate</u>	<u>Maturity Date</u>	<u>Amount Issued</u>	<u>Outstanding</u>
Revenue bonds - 2004	4.85%	06/01/15	\$ 2,600,000	\$ 1,375,000
Revenue bonds - 2008	4.49%	03/01/23	3,500,000	3,320,000
Total			<u>\$ 6,100,000</u>	<u>\$ 4,695,000</u>

The annual requirements to amortize all long-term debt outstanding as of June 30, 2010 are as follows:

<u>Year Ended June 30,</u>	<u>Principal Payments</u>	<u>Interest Payments</u>	<u>Total</u>
2011	\$ 445,000	\$ 215,755	\$ 660,755
2012	460,000	194,857	654,857
2013	485,000	173,267	658,267
2014	505,000	150,501	655,501
2015	530,000	126,800	656,800
2016-2020	1,320,000	396,691	1,716,691
2021-2024	950,000	86,433	1,036,433
Total	<u>\$ 4,695,000</u>	<u>\$ 1,344,304</u>	<u>\$ 6,039,304</u>

The Natchitoches Parish Sheriff had \$0 in Governmental Activities long-term debt obligations at June 30, 2010.

NATCHITOCHES PARISH SHERIFF
NATCHITOCHES, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2010

NOTE 9 INTERFUND TRANSFERS

Operating transfers for the year ended June 30, 2010, were as follows:

<u>Fund</u>	<u>Transfers In</u>	<u>Transfers Out</u>
Governmental activities	\$ 0	\$ 987,005
Business-type activities	987,005	0
Total	<u>\$ 987,005</u>	<u>\$ 987,005</u>

NOTE 10 LEASES

The Natchitoches Parish Sheriff was not obligated under any capital or operating lease commitments at June 30, 2010.

NOTE 11 PENSION PLANS

Substantially all employees of the Natchitoches Parish Detention Center's office are members of the Sheriff's Pension and Relief Fund ("System"), a multiple-employer, cost-sharing public employee retirement system (PERS). The System is a statewide public retirement system for the benefit of sheriffs and their staffs, which is administered and controlled by a separate board of trustees. Contributions of participating sheriffs, together with shared local and state revenues, are pooled within the System to fund accrued benefits, with employer/employee contribution rates approved by the Louisiana Legislature.

All sheriffs and all deputies who are found to be physically fit, who earn at least \$400 per month and who are between the ages of 18 and 50 at the time of original employment are required to participate in the system. Employees are eligible to retire at or after age 55 with at least 12 years of credited service and receive a benefit, payable monthly for life, equal to a percentage of their average final salary for each year of credited service. The percentage factor to be used for each year of service is 2.5 percent if total service is at least 12 but less than 15 years, 2.75 percent if total service is at least 15 but less than 20 years, and 3 percent if total service is at least 20 years. In any case, the retirement benefit cannot exceed 100 percent of the final average salary. Final-average salary is the employee's average salary over the 36 consecutive or joined months that produce the highest average. Employees who terminate with at least 12 years of service, and who do not withdraw their employee contributions, may retire at or after age 55 and receive the benefits accrued to their date of termination. Employees who terminate with at least 20 years of credited service are also eligible to elect early benefits between the ages of 50 and 55 with reduced benefits equal to the actuarial equivalent of the benefit to which they would otherwise be entitled at age 55. The system also provides death and disability benefits. Benefits are established by state statute.

The System issues an annual publicly available financial report that includes financial statements and required supplementary information for the System. That report may be obtained by writing to the Sheriffs Pension & Relief Fund, Monroe, Louisiana, 71210-3163 or by calling (318) 362-3188.

Contributions to the system include one-half of one percent of the taxes shown to be collectible by the tax rolls of each parish and a direct appropriation from the state of Louisiana. State statute required covered employees to contribute 10.0% of their salary to the system and requires an employer contribution equal to 11.00% of each covered employee's salary. As provided by Louisiana Revised Statute 11:103, the employer contributions are determined by actuarial valuation and are subject to change each year based on the results of the valuation for the prior fiscal year. The Natchitoches Parish Detention Center's contributions to the System for the years ending June 30, 2010, 2009 and 2008 were \$637,733, \$541,087 and \$520,751, respectively, equal to the required contribution for each year.

NATCHITOCHES PARISH SHERIFF
NATCHITOCHES, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2010

NOTE 12 OTHER POSTEMPLOYMENT BENEFITS

During the fiscal year ended June 30, 2010, the Natchitoches Parish Sheriff's office implemented GASB Statement No. 45, Accounting and Financial Reporting by Employers for Post-Employment Benefits Other Than Pensions (GASB 45).

The Natchitoches Parish Sheriff's office provides certain continuing health care and life insurance benefits for its retired employees. The employees become eligible for these benefits upon actual retirement. These benefits are determined based on the employees age and length of service. Employees do not contribute to their post employment benefits costs until they become retirees and begin receiving those benefits. The plan provisions and contribution rates are contained in the official plan documents.

Before the current fiscal year, the Sheriff's office recognized the cost of providing post employment medical and life benefits as an expense when the benefit premiums were due and thus financed the cost of the post employment benefits on a pay-as-you-go basis. During the year ended June 30, 2010, the Natchitoches Parish Sheriff's office's portion of health care cost for retired employees was \$47,774 and the life insurance cost was \$21,419.

The Sheriff's office's Annual Required Contribution (ARC) is an amount actuarially determined in accordance with GASB 45. The ARC is the sum of the Normal Cost plus the contribution to amortize the Actuarial Accrued Liability (AAL). A level dollar, closed amortization period of 30 years (the maximum amortization period allowed by GASB 43/45) has been used for the post employment benefits. The ARC for the fiscal year 2010 is \$214,349 for medical and \$83,872 for life as set forth below:

	Medical	Life
Normal cost	\$ 85,696	\$ 33,157
30-year UAL amortization amount	128,653	50,715
Interest on the above	0	0
Annual required contribution (ARC)	<u>\$ 214,349</u>	<u>\$ 83,872</u>

The following table presents the Sheriff's office's OPEB Obligation for the year ended June 30, 2010:

	Medical	Life
Beginning net OPEB obligation, July 1, 2009	\$ 0	\$ 0
Annual required contribution	214,349	83,872
Interest on net OPEB obligation	0	0
OPEB cost	214,349	83,872
Contributions made (retiree cost)	(47,774)	(21,419)
Change in net OPEB obligation	166,575	62,453
Ending net OPEB obligation, June 30, 2010	<u>\$ 166,575</u>	<u>\$ 62,453</u>

The following table shows The Sheriff's office's annual post employment benefits cost, percentage of the cost contributed, and the net unfunded post employment benefits liability:

Post Employment Benefit	Fiscal Year Ended	Annual OPEB Cost	Percentage of Annual Cost Contributed	Net OPEB Obligation
Medical	June 30, 2010	\$ 214,349	22.29%	\$ 166,575
Life	June 30, 2010	\$ 83,872	25.54%	\$ 62,453

NATCHITOCHES PARISH SHERIFF
NATCHITOCHES, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2010

NOTE 12 OTHER POSTEMPLOYMENT BENEFITS (CONTINUED)

In the fiscal year ending June 30, 2010, The Natchitoches Parish Sheriff's office made no contributions to its post employment benefits plan. The plan was not funded at all, has no assets, and hence has a funded ratio of zero. As of July 1, 2009, the first and most recent actuarial valuation, the AAL was \$2,224,685 (medical) and \$877,046 (life), which is defined as that portion, as determined by a particular actuarial cost method (Sheriff's office uses the Unit Cost Method), of the actuarial present value of post employment plan benefits and expenses which is not provided by normal cost.

The funded status of the plan as of June 30, 2010, was as follows:

Actuarial accrued liability (AAL)	\$ 2,224,685	\$ 877,046
Actuarial value of plan assets	0	0
Unfunded actuarial accrued liability (UAAL)	<u>\$ 2,224,685</u>	<u>\$ 877,046</u>
Funded ratio (actuarial value of plan assets/AAL)	0.00%	0.00%
Covered payroll (annual payroll of active employee covered by the plan)	6,646,884	6,646,884
UAAL as a percentage of covered payroll	33.47%	13.19%

Actuarial valuations involve estimates of the value of reported amounts and assumptions about the probability of events far into the future. The actuarial valuation for post employment benefits include estimates and assumptions regarding 1) turnover rate; 2) retirement rate; 3) health care cost trend rate; 4) mortality rate; 5) discount rate (investment return assumption); and 6) the period to which the costs apply (past, current, or future years of service by employees). Actuarially determined amounts are subject to continual revision as actual results are compared to past expectations and new estimates are made about the future.

The actuarial calculations are based on the types of benefits provided under the terms of the substantive plan (the plan as understood by the Natchitoches Parish Sheriff's office and its employee plan members) at the time of the valuation and on the pattern of sharing costs between Natchitoches Parish Sheriff's office and its plan members to that point. The projection of benefits for financial reporting purpose does not explicitly incorporate the potential effects of legal or contractual funding limitations on the pattern of cost sharing between Natchitoches Parish Sheriff's office and plan members in the future. Consistent with the long-term perspective of actuarial calculations, the actuarial methods and assumptions used include techniques that are designed to reduce short-term volatility in actuarial liabilities and the actuarial value of assets.

The ARC is determined using the Unit Credit Cost Method. The employer portion of the cost for retiree medical care in each future year is determined by projecting the current cost levels using the healthcare cost trend rate and discounting this projected amount to the valuation date using the other describe pertinent actuarial assumptions, including the investment return assumption (discount rate), mortality, and turnover.

Since this is the first actuarial valuation, there are not any assets. It is anticipated that in future valuation, should funding take place, a smoothed market value consistent with Actuarial Standards Board ASOP 6, as provided in paragraph number 125 of GASB Statement 45 will be used.

NATCHITOCHES PARISH SHERIFF
NATCHITOCHES, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2010

NOTE 12 OTHER POSTEMPLOYMENT BENEFITS (CONTINUED)

An age-related turnover scale based on actual experience as described by administrative staff has been used. The rates, when applied to the active employees census, produce an annual turnover of approximately 10%. The rates for each age are below:

<u>Age</u>	<u>Percent Turnover</u>
18-25	20.0%
26-40	14.0%
41-54	10.0%
55+	8.0%

We have assumed that actual retirement occurs eight years after the earliest retirement eligibility. Medical benefits are provided to employees upon actual retirement. Employees are covered by a retirement system whose retirement eligibility (D.R.O.P. entry) age is 55 but must have 15 years of service with the Natchitoches Parish Sheriff's office to obtain medical coverage paid by the employer. Entitlement to benefits continue through Medicare to death.

GASB Statement 45 states that the investment return assumption should be the estimated long-term investment yield on the investments that are expected to be used to finance the payment of benefits. Since the ARC is not currently being funded, we have performed this valuation using a 4% annual investment return assumption. This is a conservative estimate of the expected long term return of a balanced and conservative investment portfolio under professional management.

The expected rate of increase in medical cost is based on projections performed by the of the Actuary at the Centers for Medicare & Medicaid Services as published in National Health Care Expenditures Projections: 2003 to 2013, Table 3: National Health Expenditures, Aggregate and per Capita Amounts, Percent Distribution and Average Annual Percent Change by Source of Funds: Selected Calendar Years 1990-2013, released in January, 2004 by the Health Care Financing Administration (www.cms.hhs.gov). "State and Local" rates for 2010 through 2013 from this report were used, with rates beyond 2013 graduated down to an ultimate annual rate of 5.0% for 2016 and later.

Zero trend has been assumed for valuing life insurance.

The 1994 Group Annuity Reserving (94GAR) table, projected to 2002, based on a fixed blend of 50% of the unloaded male mortality rate and 50% of the unloaded female mortality rates, was used. This is the mortality table which the Internal Revenue Service requires to be used in determining the value of accrued benefits in defined benefit pension plans. Since GASB 45 requires the use of "unblended" rates, we have used the 94GAR mortality table described above to "unblend" the rates so as to reproduce the composite blended rate overall as the rate structure to calculate the actuarial valuation results for life insurance.

The "value of benefits" has been assumed to be the portion of the premium after retirement date expected to be paid by the employer for each retiree and has been used as the basis for calculating the actuarial present value of OPEB benefits to be paid. The employer pays 100% of the cost of the medical benefits for the retiree only (not dependents). The medical rates provided are "blended" rates for active and retired prior to Medicare eligibility. We have therefore estimated the "unblended" rates as required by GASB 45 for valuation purposes to be 130% of the blended rates prior to Medicare eligibility.

NATCHITOCHES PARISH SHERIFF
NATCHITOCHES, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2010

NOTE 13 LITIGATION

The Natchitoches Parish Sheriff is a defendant in various litigation as of the close of business on June 30, 2010. Although the outcome of these lawsuits is not presently determinable, in the opinion of the Sheriff and legal counsel, resolution of these matters would not create a liability in excess of insurance coverage that would have a material adverse effect on the financial condition of the Sheriff.

NOTE 14 RISK MANAGEMENT

The Natchitoches Parish Sheriff is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The Sheriff maintains commercial insurance coverage covering each of those risks of loss. Management believes such coverage is sufficient to preclude any significant uninsured losses to the Sheriff.

NOTE 15 EXPENSES OF THE SHERIFF'S OFFICE PAID BY THE PARISH POLICE JURY

The Natchitoches Parish Police Jury provided office space and paid the utilities related to the office space for the Natchitoches Parish Sheriff for the year ended June 30, 2010.

REQUIRED SUPPLEMENTARY INFORMATION

SCHEDULE 1

NATCHITOCHES PARISH SHERIFF
NATCHITOCHES, LOUISIANA
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES OF
GOVERNMENTAL FUNDS - BUDGET (GAAP BASIS) AND ACTUAL - GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2010

	Original Budget	Amended Budget	Actual	Variance Fav./(Unfav.)
Revenues				
Taxes	\$ 6,200,000	\$ 6,200,000	\$ 6,429,729	\$ 229,729
State revenue sharing	150,000	150,000	165,482	15,482
Intergovernmental revenues	1,068,000	1,693,838	1,611,894	(81,944)
Fees, charges, and commissions for services	501,500	591,681	674,290	82,609
Interest	26,000	26,000	78,912	52,912
Miscellaneous	97,500	141,525	185,367	43,842
Total Revenues	8,043,000	8,803,044	9,145,674	342,630
Expenditures				
General government				
Personal services	6,455,057	6,866,050	5,040,675	1,825,375
Travel	40,000	70,000	62,345	7,655
Operating services	1,299,600	929,000	922,530	6,470
Supplies	545,000	670,000	686,925	(16,925)
Professional services	100,000	100,000	105,429	(5,429)
Capital outlay	160,000	566,000	624,067	(58,067)
Total Expenditures	8,599,657	9,201,050	7,441,971	1,759,079
Excess/(Deficiency) Of Revenues Over Expenditures	(556,657)	(398,006)	1,703,703	2,101,709
Other Financing Sources/(Uses)				
Transfers	(987,005)	(987,005)	(987,005)	0
Total Other Financing Sources/(Uses)	(987,005)	(987,005)	(987,005)	0
Net Change in Fund Balances	(1,543,662)	(1,385,011)	716,698	2,101,709
Fund Balances, Beginning of year	4,804,473	4,804,473	4,804,473	0
Fund Balances, End of year	\$ 3,260,811	\$ 3,419,462	\$ 5,521,171	\$ 2,101,709

OTHER SUPPLEMENTARY INFORMATION

NATCHITOCHES PARISH SHERIFF
NATCHITOCHES, LOUISIANA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2010

SECTION #1

SUMMARY OF AUDITORS' RESULTS

FINANCIAL STATEMENTS

- | | | |
|----|--|---------------|
| 1. | Type of auditors' report issued: | Unqualified |
| 2. | Internal control over financial reporting: | |
| | a) Material weakness(es) identified? | No |
| | b) Significant deficiency(ies) identified that are not considered to be material weaknesses? | None reported |
| 3. | Noncompliance material to financial statements noted? | No |

FEDERAL AWARDS

- | | | |
|----|--|---------------|
| 1. | Internal control over major program: | |
| | a) Material weakness(es) identified? | No |
| | b) Significant deficiency(ies) identified that are not considered to be material weaknesses? | None reported |
| 2. | Type of auditors report issued on compliance for major programs: | Unqualified |
| 3. | Any audit findings disclosed that are required to be reported in accordance with section 510(a) of OMB Circular A-133? | No |
| 4. | Identification of major programs: | |

CFDA Number

16.803

97.036

97.067

Name of Federal Program

Edward Byrne Memorial Justice Assistance Grant "Recovery Act"
Disaster Grants-Public Assistance
Homeland Security Grant Program

- | | | |
|----|--|-----------|
| 5. | Dollar threshold used to distinguish between Type A and Type B programs. | \$300,000 |
| 6. | Auditee qualified as low-risk auditee under section 530 of OMB Circular A-133? | No |

SECTION #2

FINANCIAL STATEMENT FINDINGS

None reported.

SECTION #3

FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

None reported.

SCHEDULE 3

NATCHITOCHE PARISH SHERIFF
NATCHITOCHE, LOUISIANA
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED
JUNE 30, 2010

<u>Federal Grantor/Pass-Through Grantor/Program Name</u>	<u>Pass-through #</u>	<u>CFDA No.</u>	<u>Expenditures</u>
United States Department of Commerce Passed through Louisiana Governor's Office of Homeland Security Public Safety Interoperable Communications Grant Program	GS-H7-0014	11.555	\$ 62,062
United States Department of Justice Passed through Louisiana Commission on Law Enforcement and Administration of Criminal Justice Juvenile Accountability Block Grants	A07-8-021 A08-8-022	16.523	9,544
Edward Byrne Memorial Formula Grant Program	B07-1-010	16.579	1,065
Edward Byrne Memorial Justice Assistance Grant	B09-1-013	16.738	12,208
Edward Byrne Memorial Justice Assistance Grant "Recovery Act" *	B82-8-098	16.803	<u>75,967</u>
Total Passed through Louisiana Commission on Law Enforcement and Administration of Criminal Justice			98,784
Direct Assistance Edward Byrne Memorial Justice Assistance Grant Program	None	16.738	<u>63,200</u>
Total United States Department of Justice			161,984
United States Department of Health and Human Services Passed through Louisiana Department of Social Services Temporary Assistance for Needy Families	None	93.558	121,334
United States Department of Homeland Security Passed through Louisiana Governor's Office of Homeland Security and Emergency Preparedness Disaster Grants-Public Assistance *	1786	97.036	217,395
Hazard Mitigation	1603	97.039	57,359
Homeland Security Grant Program *	EM-E8-0047 GE-T7-0019 GE-T8-0013 SS-T9-0059	97.067	<u>233,140</u>
Total United States Department of Homeland Security			<u>507,894</u>
TOTAL FEDERAL AWARDS			<u>\$ 853,274</u>

Notes to the Schedule of Federal Awards

- A. Federal awards are recorded when the reimbursable expenditures have been incurred.
 B. Expenditures are generally recognized under the modified accrual basis of accounting when the related liability is incurred.

Note: The dollar threshold to distinguish between type A and type B programs was \$300,000.

* Denotes a major federal award program.

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REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

Honorable Victor Jones
Natchitoches Parish Sheriff
Natchitoches, Louisiana 71458

We have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Natchitoches Parish Sheriff, Natchitoches, Louisiana, as of and for the year ended June 30, 2010, and have issued our report dated December 3, 2010. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the Natchitoches Parish Sheriff's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Natchitoches Parish Sheriff's internal control over financial reporting.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A material weakness is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be deficiencies, significant deficiencies, or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Natchitoches Parish Sheriff's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under Government Auditing Standards.

Page #2

This report is intended solely for the information and use of the Natchitoches Parish Sheriff, management and the Louisiana State Legislative Auditor and is not intended to be, and should not be used by anyone other than these specified parties. Under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document.

Hines, Sheffield & Squyres

Natchitoches, Louisiana

December 3, 2010

HINES, SHEFFIELD & SQUYRES, L.L.C.

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REPORT ON COMPLIANCE WITH REQUIREMENTS THAT COULD HAVE A DIRECT AND MATERIAL EFFECT ON EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133

Honorable Victor Jones
Natchitoches Parish Sheriff
Natchitoches, Louisiana 71458

Compliance

We have audited the Natchitoches Parish Sheriff's compliance with the types of compliance requirements described in the OMB Circular A-133 Compliance Supplement that could have a direct and material effect on each of the Natchitoches Parish Sheriff's major federal programs for the year ended June 30, 2010. The Natchitoches Parish Sheriff's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts, and grants applicable to each of its major federal programs is the responsibility of the Natchitoches Parish Sheriff's management. Our responsibility is to express an opinion on the Natchitoches Parish Sheriff's compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States; and OMB Circular A-133. Those standards and OMB A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the Natchitoches Parish Sheriff's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination of the Natchitoches Parish Sheriff's compliance with those requirements.

In our opinion, the Natchitoches Parish Sheriff complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2010.

Internal Control Over Compliance

Management of the Natchitoches Parish Sheriff is responsible for establishing and maintaining effective internal control over compliance with the requirements of laws, regulations, contracts, and grants applicable to federal programs. In planning and performing our audit, we considered the Sheriff's internal control over compliance with the requirements that could have a direct and material effect on a major federal program to determine the auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the Sheriff's internal control over compliance.

A deficiency in internal control over compliance exist when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A material weakness in internal control over compliance is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis.

Page #2

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be deficiencies, significant deficiencies, or material weaknesses. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above.

This report is intended solely for the information and use of the Natchitoches Parish Sheriff, federal awarding agencies, pass-through entities, and the Louisiana State Legislative Auditor and is not intended to be, and should not be, used by anyone other than the specified parties. Under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document.

Hines, Sheffield & Squyres

Natchitoches, Louisiana

December 3, 2010

SCHEDULE 4

NATCHITOCHES PARISH SHERIFF
NATCHITOCHES, LOUISIANA
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
FOR THE YEAR ENDED JUNE 30, 2010

<u>Ref. No.</u>	<u>Fiscal Year Finding Initially Occurred</u>	<u>Description of Finding</u>	<u>Corrective Action Taken (Yes, No, Partially)</u>	<u>Planned Corrective Action/Partial Corrective Action Taken</u>
2009-01	2009	The Natchitoches Parish Sheriff does not always have sufficient documentation to support monthly professional service fees and leases.	Yes	This finding has been resolved.

SCHEDULE 5

NATCHITOCHE PARISH SHERIFF
NATCHITOCHE, LOUISIANA
CORRECTIVE ACTION PLAN FOR CURRENT YEAR AUDIT FINDINGS
FOR THE YEAR ENDED JUNE 30, 2010

<u>Ref. No.</u>	<u>Description of Finding</u>	<u>Corrective Action Planned</u>	<u>Name(s) of Contact Person(s)</u>	<u>Anticipated Completion Date</u>
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Nothing came to our attention that would require disclosure under Government Auditing Standards.